



Testimony before the Subcommittee on  
Oversight of Government Management, the  
Federal Workforce, and the District of  
Columbia, Committee on Homeland Security  
and Governmental Affairs, U.S. Senate

---

For Release on Delivery  
Expected at 2:30 p.m. EDT  
Tuesday, September 15, 2009

## PERSONNEL SECURITY CLEARANCES

Progress Has Been Made to  
Reduce Delays but Further  
Actions Are Needed to  
Enhance Quality and  
Sustain Reform Efforts

Statement of Brenda S. Farrell, Director  
Defense Capabilities and Management



Report Documentation Page				Form Approved OMB No. 0704-0188	
Public reporting burden for the collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Washington Headquarters Services, Directorate for Information Operations and Reports, 1215 Jefferson Davis Highway, Suite 1204, Arlington VA 22202-4302. Respondents should be aware that notwithstanding any other provision of law, no person shall be subject to a penalty for failing to comply with a collection of information if it does not display a currently valid OMB control number.					
1. REPORT DATE <b>15 SEP 2009</b>		2. REPORT TYPE		3. DATES COVERED <b>00-00-2009 to 00-00-2009</b>	
4. TITLE AND SUBTITLE <b>Personnel Security Clearances. Progress Has Been Made to Reduce Delays but Further Actions Are Needed to Enhance Quality and Sustain Reform Efforts</b>				5a. CONTRACT NUMBER	
				5b. GRANT NUMBER	
				5c. PROGRAM ELEMENT NUMBER	
6. AUTHOR(S)				5d. PROJECT NUMBER	
				5e. TASK NUMBER	
				5f. WORK UNIT NUMBER	
7. PERFORMING ORGANIZATION NAME(S) AND ADDRESS(ES) <b>U.S. Government Accountability Office, 441 G Street NW, Washington, DC, 20548</b>				8. PERFORMING ORGANIZATION REPORT NUMBER	
9. SPONSORING/MONITORING AGENCY NAME(S) AND ADDRESS(ES)				10. SPONSOR/MONITOR'S ACRONYM(S)	
				11. SPONSOR/MONITOR'S REPORT NUMBER(S)	
12. DISTRIBUTION/AVAILABILITY STATEMENT <b>Approved for public release; distribution unlimited</b>					
13. SUPPLEMENTARY NOTES					
14. ABSTRACT					
15. SUBJECT TERMS					
16. SECURITY CLASSIFICATION OF:			17. LIMITATION OF ABSTRACT <b>Same as Report (SAR)</b>	18. NUMBER OF PAGES <b>19</b>	19a. NAME OF RESPONSIBLE PERSON
a. REPORT <b>unclassified</b>	b. ABSTRACT <b>unclassified</b>	c. THIS PAGE <b>unclassified</b>			



Highlights of [GAO-09-684T](#), a testimony to the Subcommittee on Oversight of Government Management, the Federal Workforce, and the District of Columbia, Committee on Homeland Security and Governmental Affairs, U.S. Senate

## Why GAO Did This Study

Due to concerns about long standing delays in the security clearance process, Congress mandated reforms in the Intelligence Reform and Terrorism Prevention Act of 2004 (IRTPA), which requires, among other things, that the executive branch report annually to Congress. Since 2005, the Department of Defense's (DOD) clearance program has been on GAO's high-risk list due to delays and incomplete documentation. The Office of Personnel Management (OPM) conducts much of the government's clearance investigations. In 2007, the Director of National Intelligence and DOD established a Joint Reform Team to coordinate governmentwide improvement efforts for the process. The Office of Management and Budget (OMB) oversees these efforts.

Based on two recent GAO reports, this statement addresses (1) progress in reducing delays at DOD, (2) opportunities for improving executive branch reports to Congress and (3) the extent to which joint reform efforts reflect key factors for reform. GAO independently analyzed DOD clearances granted in fiscal year 2008, assessed the executive branch's 2006-2009 reports to Congress, and compared three joint reform reports to key transformation practices. GAO previously recommended that OMB improve the transparency in executive branch reporting and establish a strategic framework. OMB concurred or partially concurred with these recommendations.

View [GAO-09-684T](#) or [key components](#). For more information, contact Brenda S. Farrell at (202) 512-3604 or [farrellb@gao.gov](mailto:farrellb@gao.gov).

## PERSONNEL SECURITY CLEARANCES

### Progress Has Been Made to Reduce Delays but Further Actions Are Needed to Enhance Quality and Sustain Reform Efforts

#### What GAO Found

DOD and OPM have made significant progress in reducing delays in making security clearance decisions and met statutory timeliness requirements for DOD's initial clearances completed in fiscal year 2008. IRTPA currently requires that decisions on at least 80 percent of initial clearances be made within an average of 120 days. In 2008, GAO found that OPM and DOD made initial decisions on these clearances within 87 days, on average.

Opportunities exist for the executive branch to improve its annual reports to Congress. For example, the executive branch's 2009 report to Congress did not reflect the full range of time it took to make all initial clearance decisions and has provided little information on quality. Under the current IRTPA requirements, the executive branch can exclude the slowest 20 percent of clearances and then calculate timeliness based on an average of the remaining clearances. GAO analyzed 100 percent of initial clearances granted in 2008 without taking averages or excluding the slowest clearances and found that 39 percent took more than 120 days. The absence of comprehensive reporting limits full visibility over the timeliness of initial clearance decisions. With respect to quality, although IRTPA grants the executive branch latitude in reporting, the 2006-2009 reports provided little information on quality. However, the 2009 report identified quality measures that the executive branch proposes to collect. GAO has stated that timeliness alone does not provide a complete picture of the clearance process. For example, GAO recently estimated that with respect to initial top secret clearances adjudicated in July 2008, documentation was incomplete for most OPM investigative reports. Greater attention to quality could increase instances of reciprocity—an entity's acceptance of another entity's clearances.

Initial joint reform efforts reflect key practices for organizational transformation that GAO has identified, such as having committed leadership and a dedicated implementation team, but the Joint Reform Team's reports do not provide a strategic framework that contains important elements of successful transformation, including long-term goals with outcome-focused performance measures, nor do they identify potential obstacles to progress and possible remedies. Further, GAO's prior work and IRTPA identified several factors key to reforming the clearance process. These include (1) engaging in governmentwide reciprocity, (2) consolidating information technology, and (3) identifying and reporting long-term funding requirements. However, the Joint Reform Team's information technology strategy does not yet define roles and responsibilities for implementing a new automated capability which is intended to be a cross-agency collaborative initiative. Also, the joint reform reports do not contain information on funding requirements or identify funding sources. The reform effort's success will depend upon the extent to which the Joint Reform Team is able to fully address these key factors moving forward. Further, it is imperative that OMB's Deputy Director for Management continue in the crucial role as chair of the Performance Accountability Council, which oversees joint reform team efforts.

---

Mr. Chairman and Members of the Subcommittee:

Thank you for the opportunity to participate in the sixth in a series of hearings that this Subcommittee has held to discuss the federal government's personnel security clearance process. As you know, security clearances are used to verify that national security information—which in some cases could cause exceptionally grave damage to U.S. national defense or foreign relations if disclosed—is entrusted only to individuals who have proven reliability and loyalty to the nation. Following the terrorist attacks on September 11, 2001, the nation's defense and intelligence needs grew, prompting an increased demand for personnel with security clearances. About 2.4 million people currently hold clearances,<sup>1</sup> and in fiscal year 2008 the Office of Personnel Management (OPM) conducted about 800,000 national security investigations in which it collected background information on federal personnel in positions that require clearances.

In response to concerns about delays in processing clearances and other clearance issues, Congress set goals and established requirements for improving the clearance process in the Intelligence Reform and Terrorism Prevention Act of 2004 (IRTPA).<sup>2</sup> Those requirements include, among other things, improving the timeliness of the clearance process, achieving interagency reciprocity (a government entity's acceptance of another government entity's clearance investigation or determination), establishing an integrated database to track investigative and adjudicative information,<sup>3</sup> and evaluating available technology that could be used to conduct investigations and adjudications. IRTPA also requires the executive branch to provide a report to Congress, by February 15th of each year, on the progress made during the preceding year toward meeting IRTPA's requirements for security clearances, including the length of time agencies take to complete investigations and adjudications, a discussion of impediments to the implementation of IRTPA's requirements, and any

---

<sup>1</sup> The 2.4 million is an estimate provided by OPM. It excludes some personnel who hold clearances to work in areas of national intelligence.

<sup>2</sup> Pub. L. No. 108-458, § 3001 (2004).

<sup>3</sup> The security clearance process currently consists of six phases: *requirements setting* (the determination of whether a position requires access to classified information), *application submission* (an applicant's submission of required materials and the submission of a request for a background investigation), *investigation* (OPM's or an OPM contractor's collection of background information), *adjudication* (the review of the information collected during the investigation to determine clearance eligibility), *appeal*, and *renewal*.

---

other information or recommendations the executive branch considers appropriate.

Since 2005, we have designated the Department of Defense's (DOD) personnel security clearance program a high-risk area.<sup>4</sup> We first designated DOD's clearance program as a high-risk area in 2005 due, primarily, to long-standing delays in the process.<sup>5</sup> We found that in fiscal year 2003, for example, DOD industry personnel needed an average of 375 days to get a clearance and that such delays increase national security risks, delay the start of classified work, hamper employers from hiring the best-qualified workers, and increase the government's cost of national security-related contracts.<sup>6</sup> We maintained the high-risk designation in 2007 because of continued delays and additional concerns about incomplete clearance documentation in the investigation and adjudication phases of the security clearance process.<sup>7</sup> For example, we reported at that time that our independent analysis of a sample of 2,259 initial top secret clearance decisions for DOD industry personnel took an average of 325 days to complete. During the 2007 review we also found that 47 of 50 clearance investigative reports and adjudicative files that we analyzed were missing required documentation. In 2009, despite significant improvement in reducing delays, we continued to designate this program as a high-risk area due to more stringent timeliness requirements that will take effect in December 2009 and continuing problems with incomplete clearance documentation that I will be discussing today.<sup>8</sup>

In 2007, the Director of National Intelligence and the Under Secretary of Defense (Intelligence) (OUSDI) established the Joint Reform Team to coordinate governmentwide efforts to achieve IRTPA timeliness goals and improve the processes related to granting security clearances and

---

<sup>4</sup> GAO, *High-Risk Series: An Update*, [GAO-05-207](#) (Washington, D.C.: Jan. 2005); *High-Risk Series: An Update*, [GAO-07-310](#) (Washington, D.C.: Jan. 2007); and *High-Risk Series: An Update*, [GAO-09-271](#) (Washington, D.C.: Jan. 2009).

<sup>5</sup> [GAO-05-207](#).

<sup>6</sup> GAO, *DOD Personnel Clearances: Additional Steps Can Be Taken to Reduce Backlogs and Delays in Determining Security Clearance Eligibility for Industry Personnel*, [GAO-04-632](#) (Washington, D.C.: May 26, 2004).

<sup>7</sup> [GAO-07-310](#).

<sup>8</sup> [GAO-09-271](#).

---

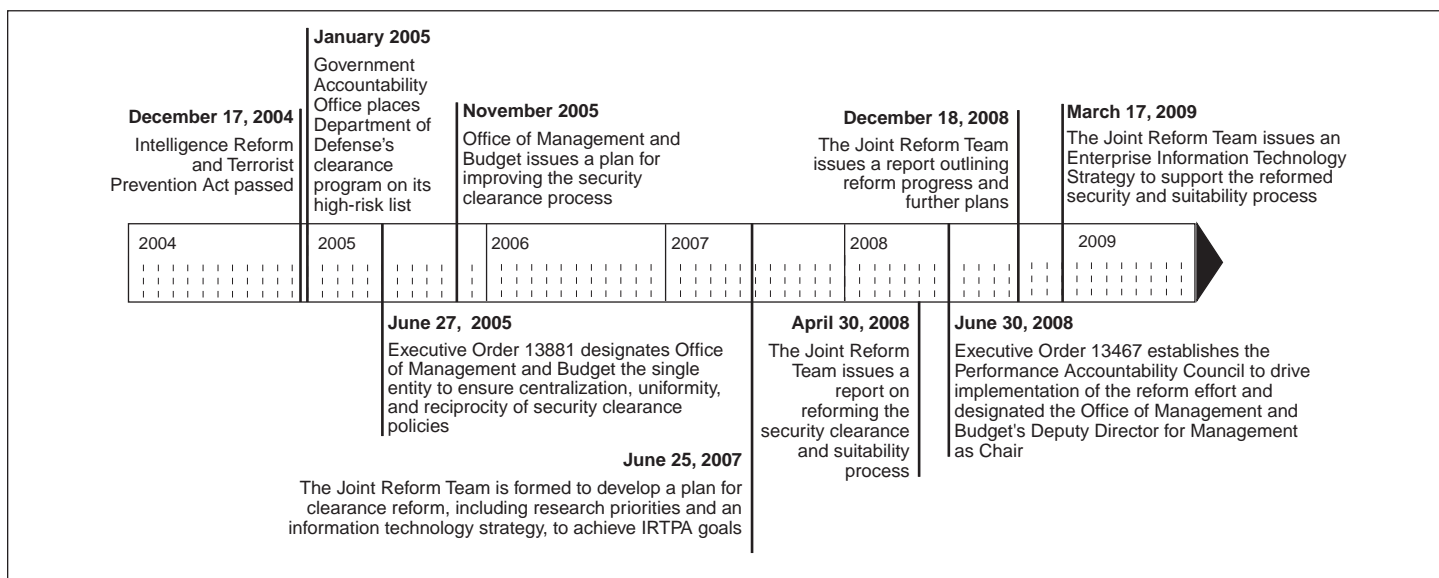
determining suitability for government employment.<sup>9</sup> Currently, the Joint Reform Team is comprised of cognizant entities within the Office of Management and Budget (OMB), OPM—which conducts background investigations for much of the federal government—the Office of the Director of National Intelligence (ODNI), and OUSDI. In accordance with a recommendation made by the Joint Reform Team, Executive Order 13467 established a Suitability and Security Clearance Performance Accountability Council, commonly known as the Performance Accountability Council, as the head of the governmentwide governance structure responsible for driving implementation and overseeing clearance reform efforts and appointed OMB's Deputy Director for Management as the chair. This governance structure was put in place, in part, to sustain the momentum of clearance reforms, particularly through the transition to a new administration.

As indicated in figure 1 (a timeline highlighting key events related to the security clearance reform efforts), the Joint Reform Team has issued three key reports, which collectively communicate the reform effort's plans for reforming the security clearance process. First, in April 2008, the Joint Reform Team issued its first report that presented a proposed reformed security clearance process with more extensive use of information technology than the current process. In December 2008, the Team issued a report on the progress of the reform efforts and provided further details on the plans to implement reforms. Most recently, in March 2009, the Joint Reform Team finalized an Enterprise Information Technology Strategy to support the reformed security and suitability process and its associated milestones described in the April and December reports.

---

<sup>9</sup> Determinations of suitability for government employment in positions in the competitive service and for career appointment in the Senior Executive Service include consideration of aspects of an individual's character or conduct that may have an impact on the integrity or efficiency of their service. Exec. Order No. 13467, *Reforming Processes Related to Suitability for Government Employment, Fitness for Contractor Employees, and Eligibility for Access to Classified National Security Information*, at § 1.2(1) (June 30, 2008) (citing 5 C.F.R. Part 731).

**Figure 1: Key Events Related to the Security Clearance Reform Efforts**



Source: GAO analysis.

My statement today will highlight the key findings and recommendations from two reports we issued in May 2009. Specifically, I will discuss (1) DOD's and OPM's progress in reducing delays in the personnel security clearance process for DOD personnel, (2) opportunities for improving the executive branch's annual reports to Congress in terms of timeliness and quality and (3) the extent to which joint reform efforts reflect essential factors for reform.<sup>10</sup> To assess the timeliness for completing initial clearances, we reviewed IRTPA's requirements; conducted an independent analysis of the timeliness of 450,000 initial clearances completed in fiscal year 2008 for military, DOD civilian, and industry personnel; and analyzed the timeliness data contained in the executive branch's 2009 annual report to Congress regarding clearances granted in fiscal year 2008. To assess the extent to which the executive branch has included transparent information on timeliness as well as information on quality in its annual reports to Congress, we analyzed reports that were issued in 2006 through

<sup>10</sup> GAO, *Personnel Security Clearances: An Outcome-Focused Strategy Is Needed to Guide Implementation of the Reformed Clearance Process*, [GAO-09-488](#) (Washington, D.C.: May 19, 2009); and *DOD Personnel Clearances: Comprehensive Timeliness Reporting, Complete Clearance Documentation, and Quality Measures Are Needed to Further Improve the Clearance Process*, [GAO-09-400](#) (Washington, D.C.: May 19, 2009).

---

2009. In addition, we reviewed clearance-related files for completeness and held interviews with senior officials at OMB, DOD, ODNI, and OPM. To assess the extent to which joint reform reports address essential factors for reform, we compared the Joint Reform Team's reform plans to key practices and implementation steps for mergers and organizational transformations that we have previously identified.<sup>11</sup> We conducted our work in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

---

## DOD and OPM Have Made Significant Progress in Reducing Delays in the Clearance Process for DOD Personnel

Since 2005, DOD and OPM have made significant progress in reducing delays in making personnel security clearance decisions and met statutory timeliness requirements for DOD's initial clearances completed in fiscal year 2008. IRTPA currently requires that decisions on at least 80 percent of initial clearances be made within an average of 120 days. In December of 2008, we conducted an analysis to assess whether DOD and OPM were meeting the current timelines requirements in IRTPA and examined the fastest 80 percent of initial clearance decisions for military, DOD civilian, and DOD industry personnel. We found that these clearance decisions were completed within 87 days, on average, and well within IRTPA's requirements.

IRTPA further requires that by December 2009, a plan be implemented in which, to the extent practical, 90 percent of initial clearance decisions are made within 60 days, on average. We also analyzed the executive branch's 2009 annual report to Congress, which presented an average of the fastest 90 percent of initial clearance decisions in anticipation of IRTPA's December 2009 requirements. The report stated that the average time for completing the fastest 90 percent of initial clearances for military and DOD civilians in fiscal year 2008 was 124 days. The report also stated that the average time for completing the fastest 90 percent of initial clearances for private industry personnel working on DOD contracts in fiscal year

---

<sup>11</sup>GAO, *Highlights of a GAO Forum: Mergers and Transformation: Lessons Learned for a Department of Homeland Security and Other Federal Agencies*, [GAO-03-293SP](#) (Washington, D.C.: Nov. 14, 2002); and *Results-Oriented Cultures: Implementation Steps to Assist Mergers and Organizational Transformations*, [GAO-03-669](#) (Washington, D.C.: July 2, 2003).



---

2008 was 129 days.<sup>12</sup> DOD and OMB officials have noted that the existing clearance process is not likely to allow DOD and other agencies to meet the timeliness requirements that will take effect in December 2009 under IRTPA.

---

---

## Opportunities Exist to Improve Executive Branch Reporting to Congress

---

### Annual Reports Could Benefit from Greater Transparency in Clearance Timeliness Reporting

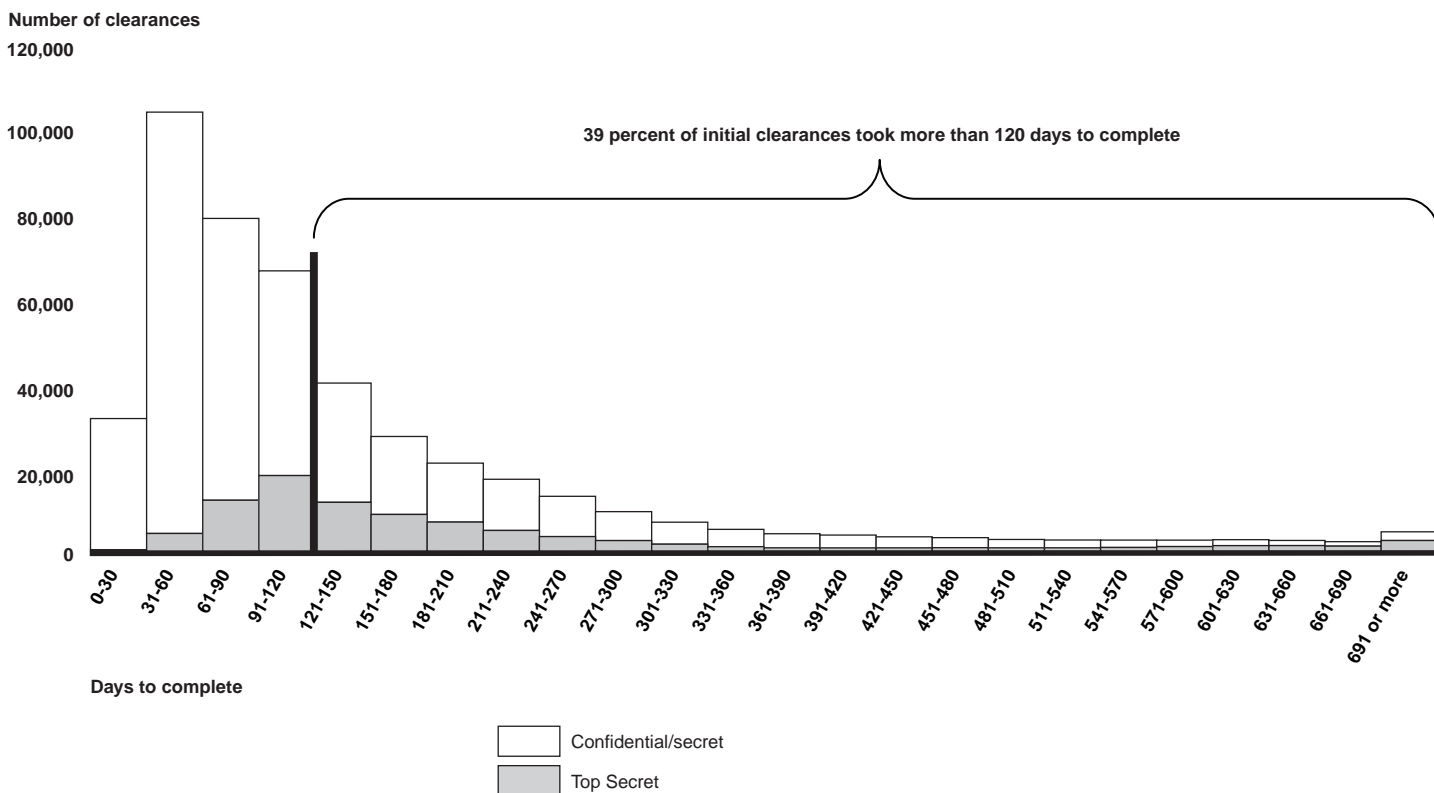
IRTPA requires that the executive branch report annually on the progress made during the preceding year toward meeting statutory requirements for security clearances, including timeliness, and also provides broad discretion to the executive branch to report any additional information considered appropriate. Under the timeliness requirements in IRTPA, the executive branch can exclude the slowest clearances and then calculate the average of the remaining clearances. Using this approach and anticipating IRTPA's requirement that by December 2009, a plan be implemented under which, to the extent practical, 90 percent of initial clearance decisions are made within an average of 60 days, the executive branch's 2009 report cited as its sole metric for timeliness the average of the fastest 90 percent of initial clearances.

We conducted an independent analysis of all initial clearance decisions that DOD made in fiscal year 2008 that more fully reflects the time spent making clearance decisions. Without excluding any portion of the data or taking an average, we analyzed 100 percent of 450,000 initial DOD clearances decisions made in fiscal year 2008 for military, DOD civilian, and DOD industry personnel. Figure 2 shows the full range of time it took DOD and OPM to make clearance decisions in fiscal year 2008.

---

<sup>12</sup>The executive branch report also included information on timeliness not specifically required by IRTPA, such as the average length of time DOD and other agencies took to complete the application submission phase of the clearance process.

**Figure 2: Timeliness of 100 Percent of GAO Sample of Initial DOD Personnel Security Clearance Eligibility Decisions Made in Fiscal Year 2008**



Source: GAO analysis of DOD and OPM data.

As you can see, our independent analysis of all of the initial clearances revealed that 39 percent of the clearance decisions took more than 120 days to complete. In addition, 11 percent of the initial clearance eligibility decisions took more than 300 days to complete.

By limiting its reporting on timeliness to the average of the fastest 90 percent of the initial clearance decisions made in fiscal year 2008 and excluding mention of the slowest clearances, the executive branch did not provide congressional decision makers with visibility over the full range of time it takes to make all initial clearance decisions and the reasons why delays continue to exist. In our recent report, we recommended that the Deputy Director for Management at OMB (who is responsible for submitting the annual report) include comprehensive data on the

---

timeliness of the personnel security clearance process in future versions of the IRTPA-required annual report to Congress.<sup>13</sup> In oral comments in response to our recommendation, OMB concurred, recognized the need for timeliness, and underscored the importance of reporting on the full range of time to complete all initial clearances. We note, Mr. Chairman, that you previously submitted an amendment to expand IRTPA's provision on reporting on clearance timeliness.<sup>14</sup>

---

## Annual Reports Could Provide Congress with Greater Visibility over Quality Issues

While IRTPA contains no requirement for the executive branch to report any information on quality, the act grants the executive branch broad latitude to include any appropriate information in its reports. The executive branch's 2006 through 2009 IRTPA-required reports to Congress on the clearance process provided congressional decision makers with little information on quality—a measure that could include topics such as the completeness of the clearance documentation of clearance decisions. The 2006 and 2008 reports did not contain any mention of quality, and the 2007 report mentioned a single quality measure—the frequency with which adjudicating agencies returned OPM's investigative reports because of quality deficiencies. The 2009 report does not contain any data on quality but proposes two measures of investigative report quality and identifies plans to measure adjudicative quality. Specifically, the discussion of these measures is included in the Joint Reform Team's December 2008 report, *Security and Suitability Process Reform*, which was included in the executive branch's 2009 report.

We have previously reported that information on timeliness alone does not communicate a complete picture of the clearance process, and we have emphasized the importance of ensuring quality in all phases of the clearance process. For example, we recently estimated that with respect to initial top secret clearances adjudicated in July 2008, documentation was incomplete for most OPM investigative reports and some DOD adjudicative files.<sup>15</sup> We independently estimated that 87 percent of about 3,500 investigative reports that adjudicators used to make clearance decisions were missing required documentation, and the documentation

---

<sup>13</sup> [GAO-09-400](#).

<sup>14</sup> Senate Amendment 5351 to S.3001, the Duncan Hunter National Defense Authorization Act for Fiscal Year 2009, would have proposed, among other things, expanding IRTPA's reporting provision.

<sup>15</sup> [GAO-09-400](#)

---

most often missing was employment verification.<sup>16</sup> Incomplete documentation may lead to increases in both the time needed to complete the clearance process and in overall process costs and may reduce the assurance that appropriate safeguards are in place to prevent DOD from granting clearances to untrustworthy individuals. Because the executive branch has not sufficiently addressed quality in its reports, it has missed opportunities to provide congressional decision makers with greater visibility over the clearance process. In our most recent report, we recommended that the Deputy Director for Management at OMB include measures of quality in future versions of the IRTPA-required annual reports. In oral comments, OMB concurred with our recommendation and emphasized the importance of providing Congress more transparency about quality in the clearance process.

---

<sup>16</sup> We independently selected a stratified random probability sample of 100 OPM investigative reports and associated DOD adjudicative files from the population of 3,993 applications that were identified as clearances that were favorably adjudicated in July 2008 by the central adjudication facilities of the U.S. Army, U.S. Navy, and U.S. Air Force. We estimated that the total number of clearances DOD granted in July 2008 was 3,500 (+/-300). For this population, we produced statistical estimates that have a margin of error of plus or minus 10 percent or less at the 95 percent confidence level. See [GAO-09-400](#) for further details.

---

## Initial Reform Efforts Partially Reflect Key Practices for Organizational Transformation and Essential Factors for Clearance Reform, but Lack a Fully Developed Strategic Framework

Initial joint reform efforts partially reflect key practices for organizational transformation that we have identified, such as having committed leadership and a dedicated implementation team, but reports issued by the Joint Reform Team do not provide a strategic framework that contains important elements of successful transformation, including long-term goals with related outcome-focused performance measures to show progress, nor do they identify potential obstacles to progress and possible remedies. Consistent with some of the key practices for organizational transformation,<sup>17</sup> a June 2008 Executive Order established the Suitability and Security Clearance Performance Accountability Council, commonly known as the Performance Accountability Council, as the head of the governmentwide governance structure responsible for achieving clearance reform goals and driving and overseeing the implementation of reform efforts. The Deputy Director for Management at OMB—who was confirmed in June 2009—serves as the Chair of the Council, and the Order also designated the Director of OPM and the Director of National Intelligence as Executive Agents for Suitability and Security, respectively. Membership on the council currently includes senior executive leaders from 11 federal agencies. In addition to high-level leadership of the Performance Accountability Council, the reform effort has benefited from a dedicated, multi-agency implementation team—the Joint Reform Team—to manage the transformation process from the beginning.<sup>18</sup> The Joint Reform Team, while not formally part of the governance structure established by Executive Order 13467, works under the Council to provide progress reports to the President, recommend research priorities, and oversee the development and implementation of an information technology strategy, among other things.

In addition to the key practices, the three reports issued by the Joint Reform Team have begun to address essential factors for reforming the security clearance process that we identified in prior work and that are also found in IRTPA. These factors include (1) developing a sound requirements determination process, (2) engaging in governmentwide reciprocity, (3) building quality into every step of the process,

---

<sup>17</sup> Key practices for government transformation refer to those agreed upon in September 2002 at a forum we convened in which representatives from major private and public sector organizations identified and discussed practices and lessons learned from mergers, acquisitions, and transformations that can serve to guide federal agencies as they transform their processes in response to governance challenges. See [GAO-03-293SP](#).

<sup>18</sup> According to the Joint Reform Team, over 70 personnel from DOD, OPM, and ODNI currently support the Team's initiatives (including approximately 17 full-time staff).

---

(4) consolidating information technology, and (5) identifying and reporting long-term funding requirements.<sup>19</sup>

While the personnel security clearance joint reform reports, which we reviewed collectively, begin to address essential factors for reforming the security clearance process, which represents positive steps, the Joint Reform Team's information technology strategy does not yet define roles and responsibilities for implementing a new automated capability that is intended to be a cross-agency collaborative initiative. GAO's prior work on key collaboration practices has stressed the importance of defining these roles and responsibilities when initiating cross-agency initiatives.<sup>20</sup> In addition, the Joint Reform Team's reports do not contain any information on initiatives that will require funding, determine how much they will cost, or identify potential funding sources. Without long-term funding requirements, decision makers in both the executive and legislative branches will lack important information for comparing and prioritizing proposals for reforming the clearance processes. The reform effort's success will be dependent upon the extent to which the Joint Reform Team is able to fully address these key factors moving forward.

Although the high-level leadership and governance structure of the current reform effort distinguish it from previous efforts, it is difficult to gauge progress of reform, or determine if corrective action is needed, because the council, through the Joint Reform Team, has not established a method for evaluating the progress of the reform efforts. Without a strategic framework that fully addresses the long-standing security clearance problems and incorporates key practices for transformation—including the ability to demonstrate progress leading to desired results—the Joint Reform Team is not in a position to demonstrate to decision makers the extent of progress that it is making toward achieving its desired outcomes,

---

<sup>19</sup> Establishing a sound requirement-determination process, building quality into every step of the process, and providing Congress with long-term funding-requirements are identified in our previous work. See GAO, *Personnel Clearances: Key Factors to Consider in Efforts to Reform Security Clearance Processes*, [GAO-08-352T](#), (Washington, D.C.: Feb. 27, 2008). Establishing governmentwide reciprocity and developing and consolidating information technology are derived from § 3001(d) and (f) of IRTPA.

<sup>20</sup> GAO, *Results-Oriented Government: Practices That Can Help Enhance and Sustain Collaboration among Federal Agencies*, [GAO-06-15](#) (Washington, D.C.: Oct 21, 2005); and *Information Technology: Customs Automated Commercial Environment Program Progressing, But Need for Management Improvements Continues*, [GAO-05-267](#) (Washington, D.C.: Mar 14, 2005).

---

and the effort is at risk of losing momentum and not being fully implemented.

In our May 2009 report, we recommended that OMB's Deputy Director of Management, in the capacity as Chair of the Performance Accountability Council, ensure that the appropriate entities—such as the Performance Accountability Council, its subcommittees, or the Joint Reform Team—establish a strategic framework for the joint reform effort to include (1) a mission statement and strategic goals; (2) outcome-focused performance measures to continually evaluate the progress of the reform effort toward meeting its goals and addressing long-standing problems with the security clearance process; (3) a formal, comprehensive communication strategy that includes consistency of message and encourages two-way communication between the Performance Accountability Council and key stakeholders; (4) a clear delineation of roles and responsibilities for the implementation of the information technology strategy among all agencies responsible for developing and implementing components of the information technology strategy; and (5) long-term funding requirements for security clearance reform, including estimates of potential cost savings from the reformed process and provide them to decision makers in Congress and the executive branch.<sup>21</sup>

In oral comments on our report, OMB stated that it partially concurred with our recommendation to establish a strategic framework for the joint reform effort. Further, in written agency comments provided to us jointly by DOD and ODNI, they also partially concurred with our recommendation. Additionally, DOD and ODNI commented on the specific elements of the strategic framework that we included as part of our recommendation. For example, in the comments, DOD and ODNI agreed that the reform effort must contain outcome-focused performance measures, but added that these metrics must evolve as the process improvements and new capabilities are developed and implemented because the effort is iterative and in phased development. We continue to believe that outcome-focused performance measures are a critical tool that can be used to guide the reform effort and allow overseers to determine when the reform effort has accomplished its goals and purpose. In addition, DOD and ODNI asserted that considerable work has already been done on information technology for the reform effort, but added that even clearer roles and responsibilities will be identified moving forward.

---

<sup>21</sup> [GAO-09-488](#).

---

Regarding our finding that, at present, no single database exists in accordance with IRTPA's requirement that OPM establish an integrated database that tracks investigations and adjudication information, DOD and ODNI stated that the reform effort continues its iterative implementation of improvements to systems that improve access to information that agencies need. DOD and ODNI also acknowledged that more work needs to be done to identify long-term funding requirements.

Mr. Chairman, I want to conclude by reiterating that DOD and OPM are meeting current IRTPA timeliness requirements, which means that 80 percent of initial clearance decisions are made within 120 days, on average. This represents significant and noteworthy progress from our finding in 2007, when we reported that industry personnel waited more than 1 year, on average, to receive a top secret clearance. I would also like to emphasize that, although the high-level leadership and governance structure of the current reform effort distinguish it from previous attempts at clearance reform, it is imperative that OMB's newly appointed Deputy Director for Management continue in the crucial role as chair of the Performance Accountability Council in deciding (1) how to implement the recommendations contained in our most recent reports, (2) what types of actions are necessary for developing a corrective action plan, and (3) how the corrective measures will be implemented.

---

Mr. Chairman, this concludes my prepared statement. I would be happy to answer any questions you may have at this time.

---

## Contact and Acknowledgments

For further information regarding this testimony, please contact me at (202) 512-3604 or farrellb@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this statement. Individuals who made key contributions to this testimony are David E. Moser, Assistant Director; James D. Ashley; Lori Atkinson; Joseph M. Capuano; Sara Cradic; Mae Jones; Shveta Khanna; James P. Klein; Ron La Due Lake; and Gregory Marchand.



---

# Related GAO Products

---

*DOD Personnel Clearances: Comprehensive Timeliness Reporting, Complete Clearance Documentation, and Quality Measures Are Needed to Further Improve the Clearance Process.* [GAO-09-400](#). Washington, D.C.: May 19, 2009.

*Personnel Security Clearances: An Outcome-Focused Strategy Is Needed to Guide Implementation of the Reformed Clearance Process.* [GAO-09-488](#). Washington, D.C.: May 19, 2009.

*High-Risk Series: An Update.* [GAO-09-271](#). Washington, D.C.: January 22, 2009.

*DOD Personnel Clearances: Preliminary Observations about Timeliness and Quality.* [GAO-09-261R](#). Washington, D.C.: December 19, 2008.

*Personnel Security Clearance: Preliminary Observations on Joint Reform Efforts to Improve the Governmentwide Clearance Eligibility Process.* [GAO-08-1050T](#). Washington, D.C.: July 30, 2008.

*Personnel Clearances: Key Factors for Reforming the Security Clearance Process.* [GAO-08-776T](#). Washington, D.C.: May 22, 2008.

*Employee Security: Implementation of Identification Cards and DOD's Personnel Security Clearance Program Need Improvement.* [GAO-08-551T](#). Washington, D.C.: April 9, 2008.

*Personnel Clearances: Key Factors to Consider in Efforts to Reform Security Clearance Processes.* [GAO-08-352T](#). Washington, D.C.: February 27, 2008.

*DOD Personnel Clearances: Improved Annual Reporting Would Enable More Informed Congressional Oversight.* [GAO-08-350](#). Washington, D.C.: February 13, 2008.

*DOD Personnel Clearances: Delays and Inadequate Documentation Found for Industry Personnel.* [GAO-07-842T](#). Washington, D.C.: May 17, 2007.

*DOD Personnel Clearances: Additional OMB Actions Are Needed to Improve the Security Clearance Process.* [GAO-06-1070](#). Washington, D.C.: September 28, 2006.

---

*DOD Personnel Clearances: Questions and Answers for the Record Following the Second in a Series of Hearings on Fixing the Security Clearance Process.* [GAO-06-693R](#). Washington, D.C.: June 14, 2006.

*DOD Personnel Clearances: New Concerns Slow Processing of Clearances for Industry Personnel.* [GAO-06-748T](#). Washington, D.C.: May 17, 2006.

*DOD Personnel Clearances: Funding Challenges and Other Impediments Slow Clearances for Industry Personnel.* [GAO-06-747T](#). Washington, D.C.: May 17, 2006.

*DOD Personnel Clearances: Government Plan Addresses Some Long-standing Problems with DOD's Program, but Concerns Remain.* [GAO-06-233T](#). Washington, D.C.: November 9, 2005.

---

---

This is a work of the U.S. government and is not subject to copyright protection in the United States. The published product may be reproduced and distributed in its entirety without further permission from GAO. However, because this work may contain copyrighted images or other material, permission from the copyright holder may be necessary if you wish to reproduce this material separately.

---

## GAO's Mission

The Government Accountability Office, the audit, evaluation, and investigative arm of Congress, exists to support Congress in meeting its constitutional responsibilities and to help improve the performance and accountability of the federal government for the American people. GAO examines the use of public funds; evaluates federal programs and policies; and provides analyses, recommendations, and other assistance to help Congress make informed oversight, policy, and funding decisions. GAO's commitment to good government is reflected in its core values of accountability, integrity, and reliability.

---

## Obtaining Copies of GAO Reports and Testimony

The fastest and easiest way to obtain copies of GAO documents at no cost is through GAO's Web site ([www.gao.gov](http://www.gao.gov)). Each weekday afternoon, GAO posts on its Web site newly released reports, testimony, and correspondence. To have GAO e-mail you a list of newly posted products, go to [www.gao.gov](http://www.gao.gov) and select "E-mail Updates."

---

## Order by Phone

The price of each GAO publication reflects GAO's actual cost of production and distribution and depends on the number of pages in the publication and whether the publication is printed in color or black and white. Pricing and ordering information is posted on GAO's Web site, <http://www.gao.gov/ordering.htm>.

Place orders by calling (202) 512-6000, toll free (866) 801-7077, or TDD (202) 512-2537.

Orders may be paid for using American Express, Discover Card, MasterCard, Visa, check, or money order. Call for additional information.

---

## To Report Fraud, Waste, and Abuse in Federal Programs

Contact:

Web site: [www.gao.gov/fraudnet/fraudnet.htm](http://www.gao.gov/fraudnet/fraudnet.htm)

E-mail: [fraudnet@gao.gov](mailto:fraudnet@gao.gov)

Automated answering system: (800) 424-5454 or (202) 512-7470

---

## Congressional Relations

Ralph Dawn, Managing Director, [dawnr@gao.gov](mailto:dawnr@gao.gov), (202) 512-4400  
U.S. Government Accountability Office, 441 G Street NW, Room 7125  
Washington, DC 20548

---

## Public Affairs

Chuck Young, Managing Director, [youngc1@gao.gov](mailto:youngc1@gao.gov), (202) 512-4800  
U.S. Government Accountability Office, 441 G Street NW, Room 7149  
Washington, DC 20548

